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October 18, 2010

The Honorable Mitch McConnell  
Minority Leader  
United States Senate  
361A Russell Senate Office Building  
Washington, DC 20510-1702

Dear Mr. Minority Leader:

As you know, the Social Security Administration announced last Friday that for the second straight year, more than 50 million Social Security recipients and disabled veterans will go without a cost-of-living adjustment (COLA). Since 1975, when the formula for determining Social Security COLAs was signed into law, Social Security recipients have never gone two consecutive years without a cost-of-living increase.

Clearly, the outdated 1975 COLA formula does not accurately take into account the spending patterns of our nation's seniors who often do not buy items like laptop computers and cellular phones, but spend a disproportionate amount of their income on health care and prescription drugs. While it is true that overall inflation is low, the costs of healthcare and prescription drugs are soaring. For example, according to the AARP's Public Policy Institute, the average price of more than 200 brand-name prescriptions most widely used by Medicare beneficiaries rose by 8.3 percent from March 2009 to March of 2010, higher than any increase in the prior eight years. In contrast, the general inflation rate actually went down by 0.3 percent over this same time period.

Given the fact that Social Security provides the majority of income for two-thirds of the elderly population in the United States, with approximately one-third of elderly individuals receiving nearly all of their income from Social Security, the lack of a COLA will make it especially difficult for our nation's seniors to pay for the increased costs of healthcare, prescription drugs and other life and death needs.

Therefore, we are writing to ask that you join us in supporting legislation as soon as the Senate comes back into session to provide \$250 in emergency relief to our nation's most vulnerable senior citizens and disabled veterans to help them pay for their increased cost of living.

As our nation continues to struggle with the worst economic crisis since the Great Depression, far too many senior citizens are experiencing a decline in their living standards.

Many have seen their savings disappear, their pension funds in severe decline, the value of their homes dramatically diminished – all while the number of seniors declaring bankruptcy has gone up. Seniors deserve a fair increase in benefits to keep up with these added costs and economic hardships.

As you also know, Congress will soon be debating the extension of the Bush tax cuts and whether or not we should be providing \$700 billion in tax breaks over the next ten years to the top two percent of income earners. We should note that the estimated \$13 billion cost of emergency relief this year to our seniors is only a fraction of the \$70 billion in average annual tax breaks over the next decade that would go to the wealthiest two percent of Americans if all of these tax breaks are extended. We hope that you will agree with us that it is far more important to provide \$250 in emergency relief to senior citizens and disabled veterans than it is to provide an average tax break of over \$100,000 a year to taxpayers earning more than \$1 million a year.

Over the long term, we look forward to working with you to establish a Consumer Price Index for the Elderly to determine an appropriate COLA. But, for now, the least we can do is to provide seniors with a modest increase in their benefits so that they have the ability to pay for their added expenses.

We look forward to working with you on this important issue.